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HOUSE BILL 347

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Joni Marie Gutierrez

AN ACT

RELATING TO TRUSTS; AMENDING A SECTION OF THE UNIFORM PROBATE
CODE CONCERNING DIVERSIFICATION OF INVESTMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 45-7-604 NMSA 1978 (being Laws 1995,
Chapter 210, Section 85) is amended to read:

"45-7-604. DIVERSIFICATION.--

A. Except as provided in Subsection B of this section, a trustee shall diversify the investments of the trust unless the trustee reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying.

B. If trust assets include a closely held family business, the trustee may elect to retain that asset with the approval of a majority of adult trust beneficiaries. A

underscored material = new
[bracketed material] = delete

1 trustee's exercise of discretion to retain assets of the
2 character described in this subsection is not a breach of the
3 trustee's duty to diversify investments, provided that the
4 trustee has received the requisite approval of the
5 beneficiaries."

6 Section 2. EFFECTIVE DATE.--The effective date of the
7 provisions of this act is July 1, 2009.

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